



## MONTHLY REPORT

AUGUST 2024

### Unit Price and FUM

<b>Indicative Unit Price</b>	<b>\$1.3664<sup>A</sup></b>	<b>FUM Size</b>	<b>\$22.8 Million</b>
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Indicative unit price is quoted on an cum-distribution basis until FY24 tax return is lodged.

Past distributions paid: FY23: 9.61c, FY22 5.12c, FY21 8.91c.

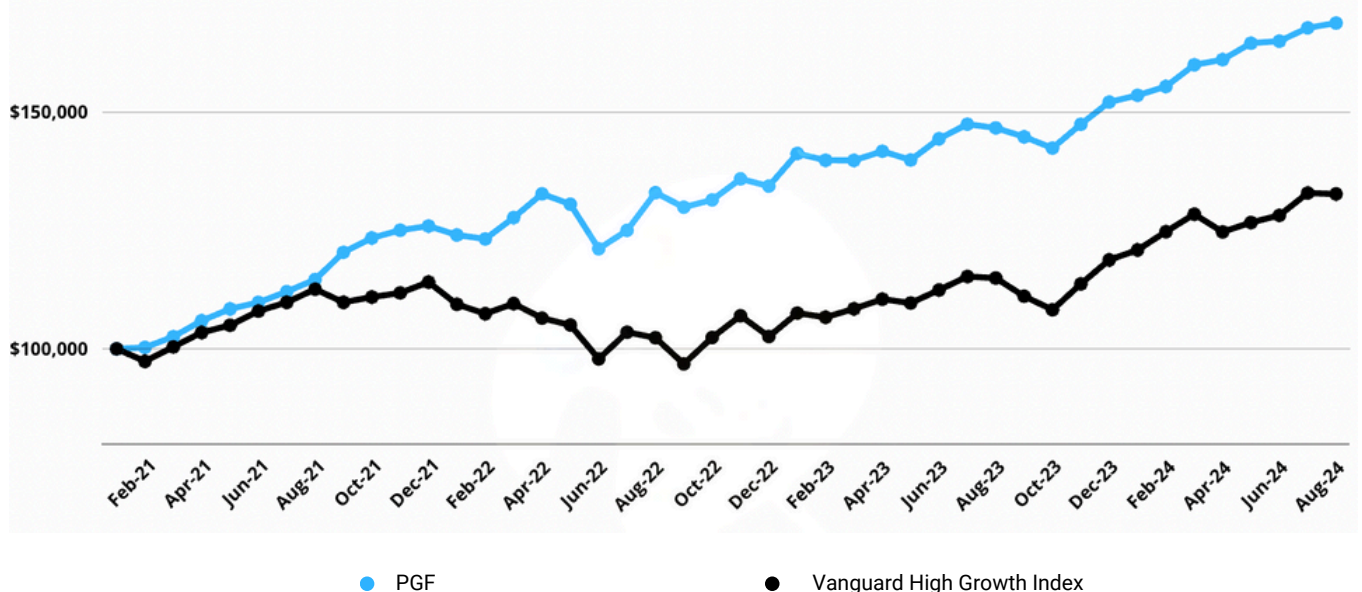
### Performance Table Net of Fees

As at 31 August 2024	PGF	Vanguard High Growth Index Fund	Difference
1 Month	<b>0.61%</b>	-0.15%	0.76%
3 Months	<b>2.58%</b>	4.77%	-2.19%
1 Year	<b>15.10%</b>	15.46%	-0.36%
3 Years p.a.	<b>15.74%</b>	5.78%	9.96%
Since Inception*	<b>68.83%</b>	33.28%	35.55%

### Monthly Performances Net of Fees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Return %
2021	-	0.28	2.28	3.28	2.36	1.28	2.06	2.29	5.02	2.52	1.33	0.70	<b>25.95</b>
2022	-1.48	-0.68	3.80	4.10	-1.62	-7.21	3.21	6.80	-3.09	1.54	3.08	-1.12	<b>6.72</b>
2023	5.12	-1.01	-0.02	1.38	-1.30	3.21	2.13	-0.54	-1.28	-1.64	3.53	3.19	<b>13.21</b>
2024	0.93	1.22	2.94	0.69	2.16	0.26	1.70	0.61					<b>10.96</b>

### Growth of \$100,000



\*Inception date is 8 February 2021. Vanguard High Growth Index Fund is chosen as PGF's benchmark for its representation of ASX and global equity market indices.

<sup>A</sup>The latest monthly unit prices and return figures are provided on an estimated basis only and may be subject to change.



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Past performance is not indicative of future performance. Specific risks of the Fund may impact on the possibility of such a return in future.

## Top 10 Listed Equity Positions

Stock Name	Portfolio Weight
Salter Brothers (ASX:SB2)	2.5%
VanEck Gold Miners (ASX:GDX)	1.8%
Neuren Pharmaceuticals (ASX:NEU)	1.8%
Santos (ASX:STO)	1.7%
S&P Biotech ETF (ASX:CURE/NYSE:XBI)	1.6%
SRG Global (ASX:SRG)	1.4%
Stanmore Resources (ASX:SMR)	1.2%
Platinum Capital (ASX:PMC)	1.1%
Charter Hall Group (ASX:CHC)	1.1%
Tesla (NASDAQ:TSLA)	0.9%

## Exposure Allocation

Strategy Bucket Allocation	Portfolio Weight
#1 Cash and Fixed Interest   Placement + IPO (ECM)	21.9%
#2 High Conviction Stocks	34.1%
#3 Options Account Managed Funds Unlisted Investments	9.3% 7.1% 7.7%

## Fund Analytics

# of Positive Months	31/43 (72.1%)
Upside Capture	0.71
Downside Capture	0.11

## Fund Commentary

PGF's estimated return for August was +0.61%, outperforming the Vanguard High Growth Index Fund, which posted a -0.15% return. During the same period, the ASX 200 Accumulation Index rose by +0.47%, while the MSCI World Ex-Australia Index declined by -1.24%.

Under our Bucket #1 strategy this month, PGF participated in 30 placements, 2 block trades, and 1 IPO, with expectations of receiving free attaching options in 11 of these deals. While most of these options are yet to be issued, we anticipate they will be allocated to the fund over the coming months. Deal flow started off strong early in the month but came to a near standstill following the significant sell-off in early August. The natural slowdown in deal flow acts as a systematic stop-loss mechanism for our Bucket #1 strategy, as we are not deploying cash into new deals during this period. We'll dive into this later on.

Major contributors to returns in August included Salter Brothers (ASX:SB2) +9.6%, Auswide Bank (ASX:ABA) +12.2%, Syntara (ASX:SNT) +19.2%, Waratah Minerals (ASX:WTM) +23.7%, Agua Resources (ASX:AGR) +25.7%, Killi Resources (ASX:KLI) +30.0%, SRG Global (ASX:SRG) +31.3% and Larvotto Resources (ASX:LRV) +83.3%. In August, SRG a specialist engineering and construction firm in the water, transport, defense, and energy sectors raised capital through an institutional placement at 83 cents to fund its acquisition of Diona Group, a company operating in the water and energy transition space. The acquisition is expected to be highly accretive, delivering double-digit EPS growth for SRG.

Pan Asia Metals (ASX:PAM) -16.3%, Andromeda Metals (ASX:ADN) -26.7% and Piche Resources (ASX:PR2) -46.4% were key detractors. Small-cap resources outside of the gold sector were hit hard by a major shift in sentiment towards commodities, as the slowdown in China dampened demand for metals like copper and lithium, both of which saw significant declines from their recent highs. We are carefully monitoring this shift and will adjust our bidding on resource deals accordingly until sentiment improves. However, the gold sector continues to show strength, with recent deals in Waratah, Agua, Brightstar (ASX:BTR), African Gold (ASX:A1G) and Meeka (ASX:MEK) yielding positive results.

Longer-term positions in our Bucket #2 high conviction strategy were, on balance, a net detractor this month. However, gains were seen in Pinnacle (ASX:PNI) +6.7%, Money Forward (TSE:3994) +12.9% -credit to Doug and the team at [GCQ Funds Management](#), who we rate highly, Charter Hall (ASX:CHC) +14.5%, Life360 (ASX:360) +15.5%, Temple and Webster (ASX:TPW) +21.1%, Zip Co (ASX:ZIP) +31.4% and Opthea (ASX:OPT) +36.8%. We exited our position in Temple and Webster after strong earnings and began building a position in Tesla (NASDAQ:TSLA) as excitement grows ahead of its October 10 Robotaxi event.

Energy names significantly impacted our August performance, with Santos (ASX:STO) -9.6%, Whitehaven (ASX:WHC) -13.3% and Stanmore (ASX:SMR) -19.6%. Outside of energy, Neuren (ASX:NEU) -17.7%, A2 Milk (ASX:A2M) -21.9% and Metro Mining (ASX:MMI) -22.8% were the largest detractors.

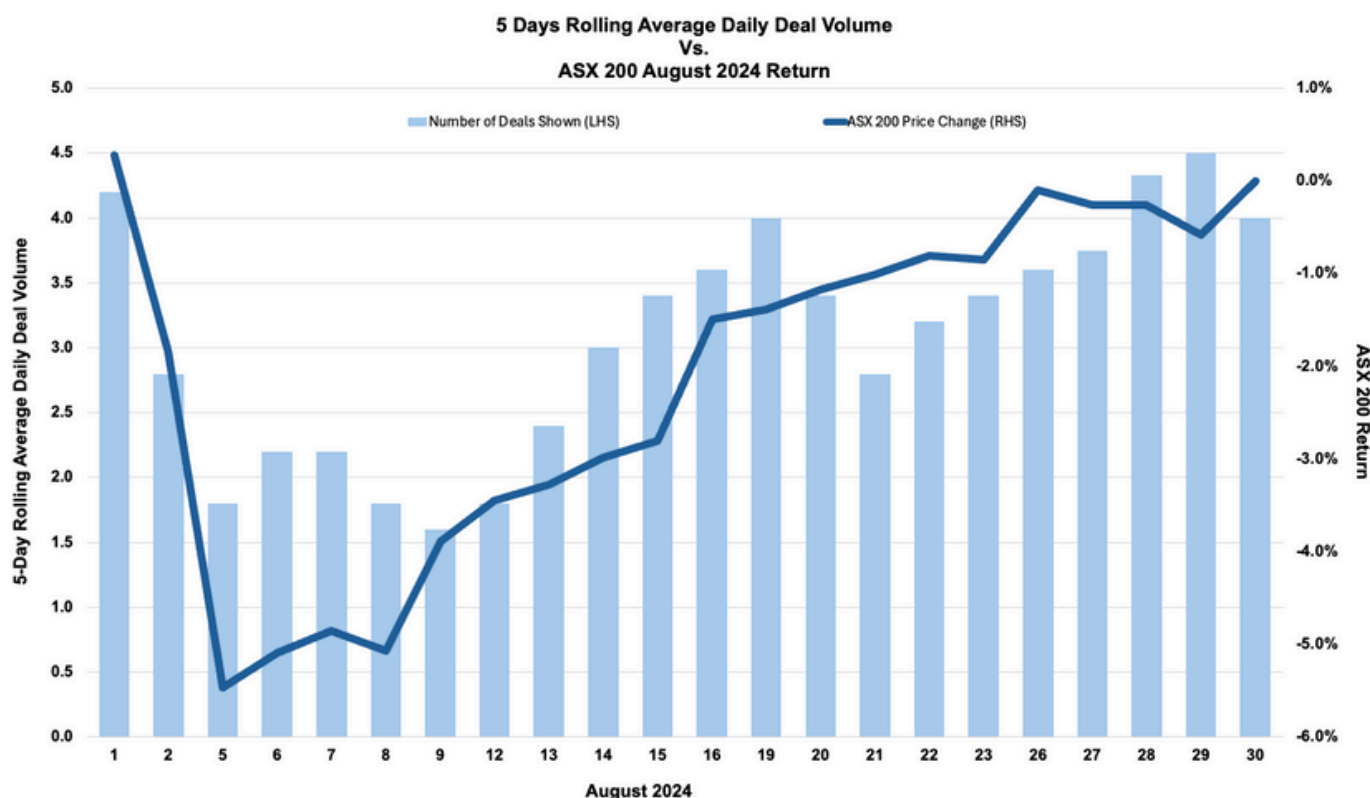
## ECM Deal Volume Versus Market Condition

For those of us closely following the markets daily, August 2024 was a month to remember. Global markets experienced an aggressive sell-off in the first week, driven by concerns over perceived U.S. economic weakness and the reversal of the yen carry trade. Although the markets managed to recover most of their losses by month-end, the intra-month swings were among the most significant in recent memory. To better understand how our Bucket #1 performed during this volatile period, we reviewed our line-by-line data for the month.

Our biggest observation was on ECM (Equity Capital Markets) deal flow. There is a strong correlation between ECM deal volume and overall market conditions. In a bullish market, deal activity is robust, with plenty of opportunities to participate in. Conversely, when the market weakens, deal flow slows to a trickle or completely halts. **This dynamic acts as a natural, systematic stop-loss for our Bucket #1 strategy.**

Investment bankers are adept at gauging market sentiment and will often reprice, delay or pull deals if they sense insufficient support. This creates a self-reinforcing cycle where, in times of market weakness, investors shun deals en masse, causing ECM deal volume to dry up even further. The lack of deals in weak markets essentially forces our Bucket #1 strategy to remain in cash, avoiding the risk of pro-longed drawdowns or a permanent loss of capital.

The chart below illustrates this phenomenon. We tracked the number of deals that came across our desk daily and applied a 5-day moving average, comparing it to the market's performance in August. The correlation is clear: as the market falls, ECM deal volume drops significantly, effectively acting as a protective mechanism.



Sources: ASX, PGF, Market Index

This feature of our Bucket #1 strategy has proven consistent through past market crises and will likely repeat in the future. When the market is down, ECM deals stop, and Bucket #1 automatically shifts to cash. Only when deals return—usually signalling market normalisation—will the cash be redeployed. This natural, unemotional and unbiased stop-loss has helped protect our Bucket #1 strategy from large market declines, such as the 20-30% drop seen in 2022. We remain confident of this protective mechanism moving forward.

### ECM Deal Volume Versus Market Condition (Data Points)

For those interested in a more granular view of the data presented in the chart on the previous page, we have included here a detailed table on the underlying data.

Trading Day	Date	# of Deals Received	# of Deals Received 5-Day Moving Average	ASX 200 Cumulative Return - August 2024	ASX 200 Daily Return
Friday	26-Jul	5	6.6	-	0.76%
Monday	29-Jul	8	6.6	-	0.86%
Tuesday	30-Jul	3	5.2	-	-0.46%
Wednesday	31-Jul	6	5.0	-	1.75%
Thursday	1-Aug	11	4.2	0.28%	0.28%
Friday	2-Aug	5	2.8	-1.84%	-2.11%
Monday	5-Aug	1	1.8	-5.47%	-3.70%
Tuesday	6-Aug	2	2.2	-5.09%	0.41%
Wednesday	7-Aug	2	2.2	-4.85%	0.25%
Thursday	8-Aug	4	1.8	-5.07%	-0.23%
Friday	9-Aug	0	1.6	-3.89%	1.25%
Monday	12-Aug	3	1.8	-3.44%	0.46%
Tuesday	13-Aug	2	2.4	-3.28%	0.17%
Wednesday	14-Aug	0	3.0	-2.99%	0.31%
Thursday	15-Aug	3	3.4	-2.80%	0.19%
Friday	16-Aug	1	3.6	-1.50%	1.34%
Monday	19-Aug	6	4.0	-1.38%	0.12%
Tuesday	20-Aug	5	3.4	-1.17%	0.22%
Wednesday	21-Aug	2	2.8	-1.01%	0.16%
Thursday	22-Aug	4	3.2	-0.81%	0.21%
Friday	23-Aug	3	3.4	-0.85%	-0.04%
Monday	26-Aug	3	3.6	-0.10%	0.76%
Tuesday	27-Aug	2	3.8	-0.26%	-0.16%
Wednesday	28-Aug	4	4.3	-0.26%	0.00%
Thursday	29-Aug	5	4.5	-0.58%	-0.33%
Friday	30-Aug	4	4.0	0.00%	0.58%

Source: PGF

## Fund Information

PGF was established in February 2021 with the goal of generating an above equity net return for its unitholders. It is designed as an absolute return fund with capital growth as the key focus, achieved by using an unconstrained approach via investing in a wide range of investable assets. Refer to fund Information Memorandum for more information.

### Portfolio Manager

Jack Hu, CFA, BCom | [jack@pgf.net.au](mailto:jack@pgf.net.au)

### Responsible Manager

Benjamin Peters, GDFP | [ben@pgf.net.au](mailto:ben@pgf.net.au)

### Fund Guideline

- Maximum Single Holding Size: 20% at Cost
- Maximum Unlisted Holdings: 30% at Cost
- Buy Sell Spreads: Nil
- Distribution Frequency: Annually
- Minimum Investment: \$100,000

### Application and Redemptions

<https://www.registrydirect.com.au/offer/phoenix-growth-fund/>

### Website

<https://www.pgf.net.au/>

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